HMO Medicare Supplement Part D Pricing Options (Based on Proposed 2007 Premiums)										
Blue Shield										
Ontion Type	Dy F)otoil		2007 Proposed Single	Premium	Percent of Reduc	ction Applied to:			
Option Type	Rx Detail			Party Premium	Decrease	Co-payment	Premium			
2007 Current Program Design										
C	Drug Type	Retail	Mail							
Current	Generic	\$5 \$15	\$10	\$318.95						
Design	Brand Formulary Brand Non-Formulary	\$15 \$45	\$25 \$75	40.000						
2007 Health Plan Based PDP / 3 Choices										
	2001	Tiouit								
		(1)) Premiu	ım Reduction Only	1					
PDP Premium Buydown	(Same as Current Design)			\$268.95	\$50.00	0%	100%			
-		(2) Pha	armacy (Co-payment Reduc	ction					
Current Premium	Drug Type	Retail	Mail							
with Co-payment	Generic	\$1	\$3	\$318.46	\$0.49	100%	0%			
Reduction	Brand Formulary	\$4	\$6	ψ310.40						
	Brand Non-Formulary	\$11	\$19							
(3) Combination: Reduced Pharmacy Co-payments and Decreased Premiums										
	Drug Type	Retail	Mail							
A. \$0	Generic	\$0	\$0	\$292.59	\$26.36	47%	53%			
Generic	Brand Formulary	\$10	\$15	Ψ232.33						
As of June 20, 2006	Brand Non-Formulary	\$45	\$75							

HMO Medic	are Supplemer	nt Part [) Pricing	g Options (Based on Propo	sed 2007 Premiums)				
			K	aiser					
Option Type	pe Rx Detail 2007 Proposed Premium Deci								
2007 Current Program Design									
Current Design	Drug Type Generic Brand Formulary Brand Non-Formulary	neric \$5 \$10 nd Formulary \$15 \$25		\$289.68					
	2007	Health	n Plan	Based PDP / 2 Choices					
		(1)	Premiur	n Reduction Only					
PDP Premium Buydown ¹	(Same as Current Design)		\$289.68	\$0.00					
(2) Pharmacy Co-payment Reduction									
A. \$0 Generic ²	Drug Type Generic Brand Formulary	Retail \$0 \$10	Mail \$0 \$15	\$313.61	(\$23.93)				
- of lune 20, 200	Brand Non-Formulary	\$45	\$75						

¹Kaiser would not reduce its premium under this scenario because Kaiser already included the CMS reimbursement in its proposed 2007 Medicare premium.

²To continue our standard benefit design across all plans, Kaiser would adopt the same co-payment structure resulting in a premium increase of \$23.93 to account for the reduced pharmacy co-payments. The 2007 single party premium of \$313.61 would yield a 43.5% increase over 2006.

HMO Medic	HMO Medicare Supplement Part D Pricing Options (Based on Proposed 2007 Premiums)									
			V	VHA						
Option Type	Rx I	Detail		2007 Proposed Single Party Premium	Premium Decrease					
	2007 Current Program Design									
	Drug Type	Retail	Mail							
Current	Generic	\$5	\$10	\$296.86						
Design	Brand Formulary	\$15	\$25	Ψ230.00						
	Brand Non-Formulary	\$45	\$75							
	2007 Health Plan Based PDP									
	Pharmacy Co-payment Reduction									
	Drug Type	Retail	Mail							
A. \$0	Generic	\$0	\$0	¢222 06	(¢26,00)					
Generic ¹	Brand Formulary	\$10	\$15	\$322.86	(\$26.00)					
	Brand Non-Formulary	\$45	\$75							

¹To continue our standard benefit design across all plans, WHA would adopt the same co-payment structure resulting in a premium increase of \$26.00 to account for the reduced pharmacy co-payments. The 2007 single party premium of \$322.86 would yield a 16.4% increase over 2006.

	PERS CI	hoice M			ment Part D Premiums)	Pricing Op	otions				
Ontion Tune		Dy Doi	la:I		2007 Single Party Premium	Premium Decrease	Percent of Reduction Applied to:				
Option Type		Rx Det	lali				Co-payment	Premium			
2007 Current Program Design											
200.5	Drug Type Generic Brand Formulary Brand Non-Formulary Brand Non-Formulary	Retail Short Term \$5 \$15 \$45 \$30	Retail Maintenance \$10 \$25 \$75 \$45	Mail \$10 \$25 \$75 \$45	\$341.75						
	2007 Health Plan Based PDP / 3 Choices										
			(1) Pi	remium F	Reduction						
PDP Premium Buydown	(Same as Current Design)				306.52	35.23	0%	100%			
		(2)	Pharmac	y Co-pay	ment Reduct	ion					
Reduction	Drug Type Generic Brand Formulary Brand Non-Formulary Brand Non-Formulary ²	Retail Short Term \$3.00 \$9.00 \$27.00 \$18.00	Retail Maintenance \$6.00 \$15.00 \$45.00 \$27.00	\$6.00 \$15.00 \$45.00 \$27.00	343.36	(1.61) ¹	100%	0%			
(3)	(3) Combination: Reduced Pharmacy Co-payments and Decreased Premiums										
A. \$0	Drug Type Generic	Retail Short Term \$0	Retail Maintenance \$0	Mail \$0	316.66	25.09	29%	71%			
00.10.10	Brand Formulary Brand Non-Formulary Brand Non-Formulary ²	\$10 \$45 \$30	\$15 \$75 \$45	\$15 \$75 \$45	010.00	25.03	2 3 /0	1 1 70			

¹To apply CMS reimbursement for a pharmacy co-payment buydown only and use co-payments rounded to the nearest dollar, a small increase in premium results.

²Medically necessary waiver of brand non-formulary co-payment.

	PERSC	are Med			ent Part D P Premiums)	ricing Opt	ions		
Outing Tour		Dv Dod	ـــــــــــــــــــــــــــــــــــــ		2007 Single Party	Premium	Percent of Reduction Applied to:		
Option Type Rx Detail					Premium	Decrease	Co-payment	Premium	
		200	07 Curr	ent Pro	ogram Desi	gn			
200.9	Drug Type Generic Brand Formulary Brand Non-Formulary Brand Non-Formulary	Retail Short Term \$5 \$15 \$45 \$30	Retail Maintenance \$10 \$25 \$75 \$45	\$10 \$25 \$75 \$45	\$371.68				
	2	007 He	alth Pla	an Base	ed PDP / 3 (Choices			
			(1) Pı	remium F	Reduction				
PDP Premium Buydown	(San	ne as Curre	ent Design)		336.75	34.93	0%	100%	
		(2)	Pharmac	y Co-pay	ment Reduct	ion			
Reduction	Drug Type Generic Brand Formulary Brand Non-Formulary Brand Non-Formulary ²	Retail Short Term \$3.00 \$9.00 \$27.00 \$18.00	Retail Maintenance \$6.00 \$15.00 \$45.00 \$27.00	\$6.00 \$15.00 \$45.00 \$27.00	375.31	(3.63) ¹	100%	0%	
(3) Combination: Reduced Pharmacy Co-payments and Decreased Premiums									
	Drug Type Generic Brand Formulary	Retail Short Term \$0 \$10	Retail Maintenance \$0 \$15	Mail \$0 \$15	347.29	24.39	30%	70%	
	Brand Non-Formulary Brand Non-Formulary ²	\$45 \$30	\$75 \$75 \$45	\$75 \$75 \$45	-				

¹To apply CMS reimbursement for a pharmacy co-payment buydown only and use co-payments rounded to the nearest dollar, a small increase in premium results.

²Medically necessary waiver of brand non-formulary co-payment.